

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: David Lawrence

Application Serial No.: 09/772,427

Filing Date: January 30, 2001

For: AUTOMATED POLITICAL
RISK MANAGEMENT

) Group Art Unit: 3628

) Examiner: Richard C. Fults

) **DECLARATION UNDER RULE 132**

) Attorney Docket No.: G08.081

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GROUP 3600

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

I, Alasdair MacDonald, make this declaration on personal knowledge, and state under penalty of perjury, as follows:

I. Background

1. I have been involved in the design, implementation, and testing of digital communications, software, and database systems for over 22 years, working both domestically and internationally. My experience covers the major areas of computing technology including networking, web application design, database, imaging, and client/server environments.

2. For the last six years I have worked for Compliance Data Center ("CDC") (a company acquired by Equifax) directing their worldwide application development and computer centers in the brokerage market for CDC. CDC/Equifax are the leading consumer and business financial health information suppliers. While at CDC, I designed and implemented a highly secure, online, massive library of media information on individuals and companies, dating back to 1962, which is used extensively by the securities industry.

3. In addition to my employment with CDC, I am currently working as a computer consultant advising Regulatory Data Corporation ("RDC"), a licensee of the above-identified application. In particular, I was retained by RDC in November 2003 to provide software development and consulting services to assist RDC in the development and deployment of an automated system to collect and aggregate political risk data and information. The system will be used in conjunction with features of the above-identified patent application to allow users (such as financial institutions) to identify transactions

that involve political risk. As part of my consulting relationship with RDC, I have been asked to review the patent application and to provide an opinion regarding my understanding, as one skilled in the art, of the teaching of the application.

4. On and prior to the filing date of the '427 application on January 30, 2001, I was a person of at least ordinary skill in the art of computer programming and system development.

II. Scope of Review

5. In forming my opinions set forth in this declaration, I have reviewed the following:

a) U.S. Patent Application Serial No. 09/772,427, entitled "Automated Political Risk Management System", filed on January 30, 2001 by David Lawrence (the "Application").

b) Office Action Mailed February 24, 2004 from Examiner Fults (the "Office Action").

6. I have also relied on my personal expertise and professional knowledge and experience.

III. Summary of Opinions

7. The Application uses terms that are sufficiently clear and concise that one skilled in the art could make and use the claimed invention

8. Based on the Application, the nature of the invention and the level of predictability in the art, a person skilled in the art could make and use the claimed invention without undue experimentation.

IV. The terms are clear

9. I have read the examiner's rejection and argument that the terms "quotient" and "first category" or "second category political risk scores" are used in an improper or unclear manner.

10. As a person of ordinary skill in the art at the time of the filing of the application, I find each of the terms to be clear and unambiguous. For example, the claims use the term "overall transaction political risk quotient" and indicate that the "overall transaction political risk quotient" is calculated based on "first and second category political risk scores". I believe the claim term is used clearly and concisely and that one skilled in the art would understand that the term refers to a value or score that is calculated based on several inputs (the first and second category political risk scores). Examples of the first and second category political risk scores are given throughout the

Application. As I understand it, the different category political risk scores are based on different pieces (or "categories") of data associated with a financial transaction (such as a country of the transaction, an occupation of the party to the transaction, etc.). It is clear that a risk score is generated for each of these pieces of data and that an overall score for the transaction is generated based on each of the individual scores.

V. A person skilled in the art could make and use the claimed invention

11. Based on my review of the Application, and my understanding of computer programming and system development techniques as of the filing date of the Application, I believe that the Application describes the claimed invention in such a way that a person of ordinary skill in the art of computer programming and system development could make and use the claimed invention without undue experimentation. More particularly, I believe that, as of the filing date, I could have made a version of the claimed invention without undue experimentation.

12. I believe there are a number of ways that a person of skill in the art could make the claimed invention. I will outline one possible approach that could be implemented quickly and without experimentation other than normal software debugging and quality assurance. In particular, I will outline a system which I could readily implement for a customer (e.g., such as a bank) that wants to have the ability to receive financial transaction information, identify a party to the transaction, generate an overall political risk score associated with the transaction, and use the overall political risk score to determine a course of action (e.g., such as to approve or decline the transaction). Even more particularly, I will outline how I would implement the system for a customer who wishes to generate an overall political risk score based on two categories associated with a party to the transaction: the party's country, and the party's position or occupation.

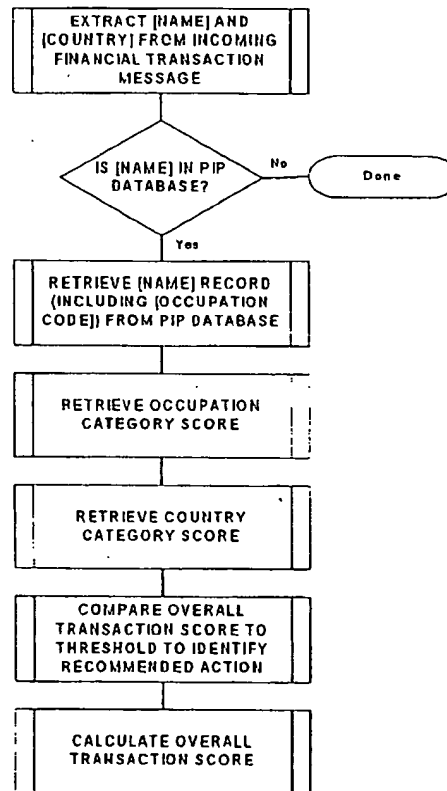
a. I would begin the development by defining the data elements, formats, and conventions to be used in the system. For example, if the financial transaction information will be received in an electronic format, I would identify that format and the data elements that would be contained in the message. For simplicity, I'll assume that a financial transaction message will be received in ASCII format, and will be comma delimited with the following elements: *[Name]*, *[Country]*, *[Amount]*,

b. Next, I would develop a database schema including "variable" data elements (the data elements received in each incoming financial transaction message which will likely change from transaction to transaction) as well as "fixed" data elements used to implement the bank's risk assessment of each transaction. For example, a simple schema to implement the claimed invention could include a data structure to be populated with data associated with each individual financial transaction (including separate fields for each element such as name, country, amount, etc.), data structure(s) populated with data associated with the first category (the country category) and the second category (the position or occupation), and data structure(s) populated with data associated with the bank's risk thresholds (e.g., information identifying transaction scores that can be approved or declined). Further, as discussed in the application, a data structure including

names of individuals who have been identified as "politically identified persons" will also be provided. Each of these data structures may be readily implemented using techniques known to those skilled in the art. Because I am familiar with SQL database systems, I might choose a SQL database system as my core platform (such as Oracle®, MYSQL, DB2, MSSQL, or others).

c. I would then populate the "fixed" data elements with data. As discussed in the application, this data may be received from a variety of sources. For example, the bank could give me information regarding the relative risk weightings to be associated with each political risk category (for example, the bank could instruct me that certain countries are very high risk, while other countries are extremely low risk). Accordingly, I would populate the "fixed" data structure with risk scores or weightings for each item of data in the category data structures.

d. I would then code a decision routine based on the flow diagram shown further below (using common software coding techniques).



e. Once the routines were coded, and the fixed data elements populated with data, the system could be used in an operational environment to calculate overall political transaction scores for financial transactions on behalf of the bank. As world or political conditions change, the bank could change the system by simply modifying the "fixed"

data elements. No experimentation would be required to implement the system, other than ordinary and typical software debugging and quality assurance testing:

f. I believe the operational system could be implemented in a relatively short period of time by a person of ordinary skill in the art of computer programming.

VI. Conclusion

13. In sum, as a person of at least ordinary skill in the art of computer programming and system design at the time of the filing of the Application, I find the Application to describe the claimed invention in such clear and concise terms that I could have made or used the claimed invention without undue experimentation. I believe others of skill in the art could have done the same.

I further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the patent application.

Dated: MAY 7 2004



Alasdair MacDonald